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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-86-07

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Terasen Gas Inc.
for Approval of the Sale of Land at 3700 2nd Ave, Burnaby, B.C.**

BEFORE: R.H. Hobbs, Chair August 1, 2007

O R D E R

WHEREAS:

- A. On July 27, 2007, Terasen Gas Inc. ("Terasen Gas") filed an application (the "Application") pursuant to Section 52 of the *Utilities Commission Act* (the "Act") requesting approval to dispose of 7.67 acres of vacant land at 3700 2nd Ave, Burnaby, B.C. ("Lochburn"); and
- B. Concurrent with the submission of the Application to the Commission, Terasen Gas provided a copy of the Application to all stakeholders and registered Intervenor to the Terasen Gas Multi Year PBR (2004-2007 extended to 2008-2009) as well as the 2006 Annual Review and Mid-Term Assessment Review; and
- C. The Application sets out that the land at Lochburn is part of what was purchased by the predecessor of Terasen Gas from British Columbia Hydro and Power Authority. Order in Council No. 1830/1988 ("OIC 1830") titled B.C. Gas Inc. Order, established, for the setting of rates and all other purposes under the Act, the appraised value of the plant in service ("rate base") of B.C. Gas Inc. as of July 16, 1988 to be \$582,699,000, and allocated the plant in service as set out in Schedule 1 of OIC 1830. Schedule 1 of OIC 1830, which is an allocation of rate base to asset accounts, allocated \$24,781,000 to "Land and land rights"; and
- D. In its Application, Terasen Gas calculates and submits that 79.93 percent of the original cost of the land was included in rate base and 20.07 percent of the cost of the land was treated as a non-regulated asset; and
- E. The 7.67 acres of vacant land is 39.21 percent of the entire parcel of land at Lochburn; and
- F. The Application sets out that the vacant land is no longer required, nor will be required in future, for the provision of natural gas distribution service; and
- G. Terasen Gas proposes that approval for the sale of vacant land at Lochburn consisting of 7.67 acres of the entire parcel be granted and subject to such approval on an expedited basis and without prejudice to its property rights, Terasen Gas will share \$2.5 million of the net gain on sale with its customers; and
- H. Terasen Gas requests that the Commission review the Application by means of a written review process and render a Decision by September 27, 2007; and

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- I. The Commission has reviewed the Application and considers that a written comment process should be established for the review of the Application.

NOW THEREFORE the Commission establishes a written comment process for the review of the Application. The Regulatory Timetable for the written process is set out in Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of August 2007.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair

Attachment

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REGULATORY TIMETABLE

<u>Action</u>	<u>Date</u>
Registration of Intervenor and Interested Parties	Friday, August 17, 2007
Commission Information Request No. 1	Friday, August 17, 2007
Intervenor Information Request No. 1	Wednesday, August 22, 2007
TGI Response to Information Requests	Friday, August 31, 2007
Intervenor Written Comments	Monday, September 10, 2007
TGI Written Comments	Friday, September 14, 2007